

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2007

	March-07					December-06				September-06				Current Fiscal YTD	Prior Year FY06	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
	Allocation		Quarter Net ROR	Month Net ROR		Allocation		Quarter Net ROR		Allocation		Quarter Net ROR		Net ROR	Net ROR	Net	Net
	Market Value	Actual Policy				Market Value	Actual Policy			Market Value	Actual Policy						
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
LA Capital	82,953,561	4.5%	4.5%	3.62%	0.75%	82,717,570	4.6%	4.5%	7.70%	76,028,668	4.5%	4.5%	1.81%	13.61%	11.88%	N/A	N/A
Total Structured Growth	82,953,561	4.5%	4.5%	3.62%	0.75%	82,717,570	4.6%	4.5%	7.70%	76,028,668	4.5%	4.5%	1.81%	13.61%	11.88%	12.99%	0.19%
<i>Russell 1000 Growth</i>				1.19%	0.54%				5.93%				3.94%	11.40%	6.12%	8.34%	-0.77%
<i>Structured Value</i>																	
LSV	83,231,374	4.5%	4.5%	2.14%	1.92%	84,285,845	4.7%	4.5%	8.13%	78,006,866	4.6%	4.5%	4.48%	15.39%	15.93%	21.06%	12.29%
<i>Russell 1000 Value</i>				1.24%	1.55%				8.00%				6.22%	16.14%	12.10%	15.70%	6.89%
<i>Enhanced Russell 1000 Index</i>																	
LA Capital	76,419,189	4.1%	4.2%	1.04%	0.77%	79,265,566	4.4%	4.2%	7.80%	72,791,324	4.3%	4.2%	3.51%	12.74%	12.49%	12.73%	3.75%
<i>Russell 1000</i>				1.21%	1.04%				6.95%				5.06%	13.72%	9.08%	12.05%	3.12%
<i>Enhanced S&P 500 Index</i>																	
Northern Trust	75,966,015	4.1%	4.2%	0.34%	0.93%	79,835,315	4.5%	4.2%	6.42%	74,282,801	4.4%	4.2%	6.56%	13.79%	9.33%	11.32%	2.81%
Westridge	89,764,920	4.9%	4.5%	0.74%	1.15%	89,574,746	5.0%	4.5%	6.86%	83,057,810	4.9%	4.5%	5.68%	13.78%	8.80%	11.46%	2.80%
Wells Capital	54,869,572	3.0%	3.0%	0.57%	3.11%	54,812,406	3.1%	3.0%	13.95%	47,492,021	2.8%	3.0%	1.21%	15.99%	N/A	N/A	N/A
Franklin	53,217,138	2.9%	3.0%	0.01%	1.71%	53,355,363	3.0%	3.0%	5.52%	49,936,543	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced S&P 500 Index	273,817,645	11.9%	11.7%	0.45%	1.59%	277,577,830	12.6%	11.7%	7.79%	254,769,175	12.2%	11.7%	5.15%	13.85%	8.58%	11.40%	2.76%
<i>S&P 500</i>				0.64%	1.12%				6.70%				5.67%	13.46%	8.63%	11.22%	2.49%
<i>S&P 500 Index</i>																	
State Street	36,483,333	2.0%	2.1%	1.63%	1.54%	36,122,581	2.0%	2.1%	8.05%	33,104,293	2.0%	2.1%	5.79%	16.16%	9.62%	11.55%	2.70%
<i>S&P 500</i>				0.64%	1.12%				6.70%				5.67%	13.46%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	552,905,102	29.9%	30.0%	1.33%	1.39%	559,969,392	31.4%	30.0%	7.85%	514,700,326	30.5%	30.0%	4.32%	14.00%	10.93%	13.21%	3.86%
<i>S&P 500</i>				0.64%	1.12%				6.70%				5.67%	13.46%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	134,754,736	7.3%	7.2%	1.88%	0.57%	131,613,775	7.4%	7.2%	8.85%	122,051,469	7.2%	7.2%	-0.01%	10.88%	13.56%	18.31%	8.00%
<i>Russell 2000 + 200bp</i>				2.45%	1.24%				9.43%				0.94%	13.18%	16.86%	21.06%	10.71%
Callan	54,179,719	2.9%	2.8%	4.66%	1.92%	51,732,359	2.9%	2.8%	8.45%	47,380,277	2.8%	2.8%	-0.91%	12.47%	N/A	N/A	N/A
<i>Russell 2000</i>				1.95%	1.07%				8.90%				0.44%	11.51%			
TOTAL SMALL CAP DOMESTIC EQUITY	188,934,455	10.2%	10.0%	2.66%	0.95%	183,346,134	10.3%	10.0%	8.74%	169,431,746	10.1%	10.0%	-0.27%	11.34%	13.40%	18.25%	7.97%
<i>Russell 2000</i>				1.95%	1.07%				8.90%				0.44%	11.51%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																	
<i>Large Cap - Core</i>																	
State Street	19,652,518	1.1%	1.0%	4.07%	2.46%	18,872,868	1.1%	1.0%	11.53%	16,928,751	1.0%	1.0%	3.40%	20.01%	27.85%	20.61%	6.87%
<i>MSCI EAFE (1)</i>				4.08%	2.55%				10.35%				3.93%	19.36%	26.56%	20.76%	5.94%
<i>Large Cap - Active</i>																	
Capital Guardian	57,179,590	3.1%	3.0%	3.44%	1.86%	55,278,823	3.1%	3.0%	8.42%	50,938,271	3.0%	3.0%	4.95%	17.71%	28.01%	21.32%	6.58%
LSV	58,172,403	3.1%	3.0%	4.52%	2.42%	55,599,987	3.1%	3.0%	10.85%	50,160,425	3.0%	3.0%	5.93%	22.74%	27.77%	N/A	N/A
Bank of Ireland	18,511,858	1.0%	1.0%	1.38%	3.23%	18,242,007	1.0%	1.0%	9.82%	16,614,218	1.0%	1.0%	3.02%	14.70%	22.00%	19.16%	N/A
Total Large Cap - Active	133,863,850	7.2%	7.0%	3.62%	2.29%	129,120,817	7.2%	7.0%	9.65%	117,712,914	7.0%	7.0%	5.09%	19.40%	27.11%	21.84%	7.14%
<i>MSCI EAFE - 50% Hedged</i>				4.03%	2.41%				9.06%				4.87%	18.98%	26.72%	22.56%	6.89%
<i>Small Cap - Active</i>																	
Lazard	19,267,829	1.0%	1.0%	3.06%	2.73%	18,678,482	1.0%	1.0%	15.51%	16,170,109	1.0%	1.0%	1.38%	20.69%	25.04%	29.34%	N/A
Wellington	18,671,283	1.0%	1.0%	5.44%	2.53%	17,692,360	1.0%	1.0%	9.14%	16,186,523	1.0%	1.0%	3.21%	18.78%	23.35%	25.26%	N/A
Total Small Cap - Active	37,939,111	2.1%	2.0%	4.22%	2.63%	36,370,842	2.0%	2.0%	12.33%	32,356,632	1.9%	2.0%	2.29%	19.74%	24.18%	27.28%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				7.05%	3.20%				11.41%				1.55%	21.11%	29.21%	32.38%	N/A
TOTAL INTERNATIONAL EQUITY	191,455,479	10.4%	10.0%	3.80%	2.38%	184,364,528	10.3%	10.0%	10.36%	166,998,297	9.9%	10.0%	4.36%	19.55%	26.61%	22.77%	8.74%
<i>MSCI EAFE - 50% Hedged</i>				4.03%	2.41%				9.06%				4.87%	18.98%	26.72%	22.56%	6.89%
EMERGING MARKETS EQUITY																	
<i>Core</i>																	
JP Morgan	19,116,169	1.0%	0.9%	2.44%	3.42%	18,699,921	1.0%	0.9%	17.51%	15,887,174	0.9%	0.9%	7.76%	29.72%	N/A	N/A	N/A
PanAgora	16,135,285	0.9%	0.0%	2.32%	4.49%	15,750,922	0.9%	0.0%	17.38%	13,403,508	0.8%	0.0%	4.96%	26.07%	N/A	N/A	N/A
WestLB	16,215,897	0.9%	0.0%	1.47%	2.90%	15,962,965	0.9%	0.0%	17.37%	13,586,095	0.8%	0.0%	2.94%	22.60%	N/A	N/A	N/A
UBS	28,959,082	1.6%	1.5%	2.61%	3.85%	28,165,813	1.6%	1.5%	16.12%	24,207,038	1.4%	1.5%	4.67%	24.72%	N/A	N/A	N/A
Total Core	80,426,432	4.4%	4.9%	2.24%	3.60%	78,579,620	4.4%	4.9%	16.75%	67,083,815	4.0%	4.9%	5.09%	25.45%	35.59%	32.44%	18.61%
<i>MSCI Emerging Markets</i>				2.35%	4.02%				17.64%				5.01%	26.42%	35.91%	22.39%	12.89%
<i>Small Cap</i>																	
DFA	19,483,525	1.1%	1.0%	7.10%	4.35%	18,150,170	1.0%	1.0%	20.71%	15,002,942	0.9%	1.0%	8.53%	40.32%	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				2.35%	4.02%				17.64%				5.01%	26.42%			
TOTAL EMERGING MARKETS EQUITY	99,909,957	5.4%	5.0%	3.15%	3.74%	96,729,790	5.4%	5.0%	17.47%	82,086,757	4.9%	5.0%	5.71%	28.09%	34.40%	32.05%	18.40%
<i>MSCI Emerging Markets</i>				2.35%	4.02%				17.64%				5.01%	26.42%	35.91%	34.76%	21.54%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	50,661,216	2.7%	2.7%	1.60%	-0.07%	49,747,707	2.8%	2.9%	1.78%	49,643,643	2.9%	2.9%	4.29%	7.85%	-1.15%	2.65%	5.96%
<i>Lehman Aggregate</i>				1.50%	0.00%				1.24%				3.81%	6.67%	-0.81%	2.05%	4.97%
<i>Index</i>																	
Bank of ND	91,342,488	4.9%	6.0%	1.38%	-0.18%	89,870,831	5.0%	6.0%	0.88%	91,983,054	5.5%	6.0%	3.77%	6.12%	-1.37%	1.53%	5.24%
Total Index	91,342,488	4.9%	6.0%	1.38%	-0.18%	89,870,831	5.0%	6.0%	0.88%	91,983,054	5.5%	6.0%	3.77%	6.12%	-0.69%	2.10%	5.27%
<i>Lehman Gov/Credit</i>				1.47%	-0.17%				1.04%				3.91%	6.53%	-1.52%	1.60%	5.13%
<i>Convertibles</i>																	
TCW (2)	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	43,142,529	2.6%	2.9%	2.85%	N/A	4.54%	6.78%	1.15%
Calamos	51,300,608	2.8%	2.7%	0.76%	0.50%	45,669,559	2.6%	2.9%	N/A		0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Convertibles	51,300,608	2.8%	2.7%	0.76%	0.50%	45,669,559	2.6%	2.9%	4.81%	43,142,529	2.6%	2.9%	2.85%	8.62%	4.54%	6.78%	1.15%
<i>Merrill Lynch All Convertibles (3)</i>				2.44%	0.24%				5.01%				2.79%	10.57%	9.37%	8.01%	4.94%

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	March-07					December-06				September-06				Current Fiscal YTD	Prior Year FY06	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
	Allocation		Quarter	Month		Allocation		Quarter		Allocation		Quarter		Net ROR	Net ROR	Net	Net
	Market Value	Actual				Market Value	Actual			Market Value	Actual						
BBB Average Quality																	
Wells Capital	50,716,618	2.7%	2.7%	1.71%	-0.60%	49,727,416	2.8%	2.9%	2.07%	49,504,586	2.9%	2.9%	4.58%	8.57%	-2.70%	3.36%	5.51%
Lehman BBB		1.79%		-0.62%					1.49%				4.80%	8.26%	-2.37%	2.39%	6.10%
Private Debt																	
Prudential	50,594,763	2.7%	2.7%	1.81%	0.21%	49,576,111	2.8%	2.9%	1.47%	49,653,160	2.9%	2.9%	3.84%	7.27%	-0.13%	N/A	N/A
Lehman Aggregate				1.50%	0.00%				1.24%				3.81%	6.67%	-0.81%	N/A	N/A
Timberland																	
TIR - Teredo (4)	36,460,042	2.0%	2.0%	-0.25%	-0.06%	36,388,288	2.0%	2.0%	2.22%	35,326,377	2.1%	2.1%	-0.19%	1.78%	-1.44%	7.62%	N/A
TIR - Springbank	95,909,925	5.2%	5.2%	28.54%	-0.03%	74,360,893	4.2%	4.2%	-0.20%	74,002,709	4.4%	4.4%	-0.06%	28.22%	13.53%	N/A	N/A
Total Timberland	132,369,967	7.2%	7.2%	19.08%	-0.04%	110,749,181	6.2%	6.2%	0.59%	109,329,086	6.5%	6.5%	-0.10%	19.66%	9.43%	20.37%	N/A
NCREIF Timberland Index				6.46%	2.11%				6.46%				0.85%	14.30%	19.69%	13.94%	N/A
TOTAL DOMESTIC FIXED INCOME	426,985,661	23.1%	24.0%	6.32%	-0.05%	395,340,805	22.2%	24.0%	1.57%	393,256,057	23.3%	24.0%	2.67%	10.87%	3.12%	8.91%	8.14%
Lehman Aggregate				1.50%	0.00%				1.24%				3.81%	6.67%	-0.81%	2.05%	4.97%
HIGH YIELD BONDS																	
Core																	
Loomis Sayles	46,562,112	2.5%	2.5%	2.75%	0.05%	43,837,801	2.5%	2.5%	4.69%	41,871,374	2.5%	2.5%	4.85%	12.78%	4.74%	N/A	N/A
Sutter/Wells Capital	44,386,291	2.4%	2.5%	2.92%	-0.08%	41,760,458	2.3%	2.5%	1.39%	41,216,490	2.4%	2.5%	2.84%	7.31%	4.70%	N/A	N/A
Total Core	90,948,404	4.9%	4.9%	2.83%	-0.01%	85,598,259	4.8%	4.9%	3.05%	83,087,864	4.9%	5.0%	3.84%	10.04%	4.72%	5.70%	3.38%
LB High Yield 2% Issuer Constrained Index				2.80%	0.17%				4.11%				3.76%	11.05%	4.38%	N/A	N/A
Mezzanine Debt																	
Goldman Sachs	1,105,669	0.1%	0.1%	2.63%	2.63%	1,042,245	0.1%	0.1%	1.95%	595,221	0.0%	0.0%	-0.04%	4.59%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	92,054,073	5.0%	5.0%	2.85%	0.02%	86,640,504	4.9%	5.0%	3.05%	83,683,085	5.0%	5.0%	3.82%	10.03%	4.72%	8.34%	7.47%
LB High Yield 2% Issuer Constrained Index				2.80%	0.17%				4.11%				3.76%	11.05%	4.38%	8.48%	8.60%
INTERNATIONAL FIXED INCOME																	
International Sovereign																	
UBS Global (Brinson)	42,248,138	2.3%	2.5%	0.91%	0.28%	41,976,775	2.4%	2.5%	1.88%	41,533,189	2.5%	2.5%	-0.15%	2.65%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				1.09%	0.30%				2.09%				0.89%	4.12%	-0.11%	5.01%	9.58%
International Core																	
Brandywine	43,093,223	2.3%	2.5%	0.90%	0.42%	42,814,037	2.4%	2.5%	2.84%	42,568,863	2.5%	2.5%	1.93%	5.78%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				1.16%	0.38%				2.57%				1.13%	4.93%	3.83%	5.69%	N/A
TOTAL INTERNATIONAL FIXED INCOME	85,341,361	4.6%	5.0%	0.91%	0.35%	84,790,812	4.8%	5.0%	2.37%	84,102,052	5.0%	5.0%	0.89%	4.22%	2.01%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (5)				1.09%	0.30%				2.09%				0.89%	4.12%	0.00%	5.05%	9.60%
REAL ESTATE																	
INVESCO																	
J.P. Morgan Strategic & Special Funds	49,237,354			7.51%	4.06%	46,218,766			0.14%	46,727,672			1.55%	9.33%	23.84%	17.33%	12.38%
J.P. Morgan Alternative Property Fund	49,786,809			4.09%	1.53%	46,493,355			4.17%	47,237,291			4.36%	13.17%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	11,406,199			12.76%	0.00%	11,336,971			0.00%	10,346,395			-2.82%	9.58%	N/A	N/A	N/A
TOTAL REAL ESTATE	110,430,362	6.0%	5.0%	6.43%	2.48%	106,049,092	5.9%	5.0%	1.94%	104,313,358	6.2%	5.0%	2.40%	11.10%	22.09%	17.09%	12.36%
NCREIF TOTAL INDEX				4.51%	1.48%				4.51%				3.51%	13.06%	16.22%	15.63%	12.19%
ALTERNATIVE INVESTMENTS																	
Brinson IVCF II	79,860			31.73%	0.00%	60,623			0.00%	60,623			0.00%	31.73%	22.67%	13.90%	-0.56%
Coral Partners II	99,715			-0.60%	0.00%	100,317			0.12%	100,201			0.13%	-0.35%	3.74%	6.19%	-9.24%
Coral Partners V	3,396,073			-1.92%	0.00%	3,457,274			1.68%	4,819,043			-0.31%	-0.58%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	417,833			-0.85%	0.00%	420,795			8.05%	437,582			-0.70%	6.38%	10.53%	10.33%	N/A
Coral Partners VI	8,250,696			-9.23%	0.00%	7,174,019			-2.87%	7,402,568			-0.08%	-11.91%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	925,144			24.44%	24.44%	1,032,914			2.07%	1,014,299			4.03%	32.13%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	2,105,920			0.00%	0.00%	1,873,302			4.42%	2,517,191			8.99%	13.81%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	6,099,548			0.82%	12.93%	6,040,839			2.97%	5,880,294			4.86%	8.87%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	4,531,057			10.09%	10.09%	4,109,754			-1.63%	4,187,319			8.12%	17.09%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	2,749,661			18.61%	18.61%	2,314,747			-6.73%	2,487,580			9.58%	21.22%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	801,270			16.56%	13.06%	686,427			5.60%	651,503			3.05%	26.85%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	1,020,750			18.61%	18.61%	859,320			25.02%	945,208			16.69%	73.04%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	1,883,222			12.99%	24.40%	1,664,143			0.83%	1,654,271			26.11%	43.67%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	1,991,993			18.35%	47.04%	1,680,570			-19.07%	2,081,264			7.27%	2.75%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	3,528,938			17.35%	17.35%	3,002,825			31.26%	2,795,879			17.05%	80.30%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	2,992,850			24.88%	24.88%	2,393,083			12.56%	1,809,198			21.45%	70.71%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	1,013,851			14.12%	14.12%	887,061			7.00%	671,036			-0.77%	21.17%	24.56%	N/A	N/A
Brinson BVCF IV	7,995,678			-19.22%	0.00%	9,883,439			10.81%	8,939,696			9.17%	-2.28%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	3,103,331			0.47%	0.00%	1,026,237			-5.02%	1,082,945			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	7,393,164			0.00%	0.00%	7,312,295			12.96%	6,488,457			-5.52%	6.72%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	16,906,121			29.76%	29.76%	16,834,722			0.27%	11,933,876			0.71%	31.03%	-0.85%	N/A	N/A
InvestAmerica	3,076,367			0.00%	0.00%	3,071,832			0.00%	3,078,868			30.21%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	258,526			-48.15%	-48.15%	239,706			0.00%	74,489			0.00%	-48.15%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	1,451,316			72.11%	0.00%	1,269,541			-1.32%	174,008			38.24%	134.78%	59.61%	N/A	N/A
Corsair III	664,894			N/A	0.00%	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Quantum Resources	1,555,859			0.00%	0.00%	1,553,641			N/A	-			N/A	N/A	N/A	N/A	N/A
Quantum Energy Partners	407,379			N/A	-0.39%	-			N/A	-			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	84,701,019	4.6%	5.0%	6.30%	10.17%	78,949,426	4.4%	5.0%	3.67%	71,287,401	4.2%	5.0%	6.15%	16.99%	11.08%	10.37%	-2.92%
CASH EQUIVALENTS																	
Northern Trust STIF/STEP	14,066,183	0.8%	1.0%	1.32%	0.41%	7,374,895	0.4%	1.0%	1.30%	15,413,369	0.9%	1.0%	1.34%	4.01%	4.31%	2.64%	2.41%
90 Day T-Bill				1.25%	0.45%				1.26%				1.33%	3.88%	4.00%	2.37%	2.25%
TOTAL FUND	1,846,783,652	100.0%	100.0%	3.51%	1.55%	1,783,555,378	100.0%	100.0%	6.14%	1,685,272,450	100.0%	100.0%	3.31%	13.50%	12.00%	14.23%	7.93%
POLICY TARGET BENCHMARK				2.05%	1.50%				5.68%				4.12%	12.29%	10.07%	11.75%	6.64%

NOTE: Monthly returns and market values are preliminary and subject to change.

- (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.
- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.
- (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.
- (4) Prior to June 1, 2006, the Tored properties were under the management of RMK.
- (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
- (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.